

Message Text

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PAGE 01 WARSAW 06614 011052Z

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-06 RSC-01 /020 W

----- 070871

R 010948Z NOV 74

FM AMEMBASSY WARSAW

TO USDOC WASHDC

INFO SECSTATE WASHDC 1990

AMCONSUL POZNAN

AMCONSUL KRAKOW

UNCLAS WARSAW 6614

E.O. 11652: N/A

TAGS: BEXP, PL

SUBJECT: 1975 POZNAN FAIR

COMMERCE FOR BEWT

REF: A. WARSAW A-295; B. WARSAW 6261; C. USDOC 15906(NOTAL)

1. SUMMARY: THE EMBASSY REITERATES ITS PROPOSAL FOR EXPANDED USG PARTICIPATION IN THE 1975 POZNAN TECHNICAL FAIR. WE BELIEVE THAT THE COSTS OF LEASING ADDITIONAL SPACE CAN BE FULLY COVERED BY INCREASING CONTRIBUTIONS FROM EXHIBITORS AND BY REDUCING THE OPERATING EXPENSES OF THE EXHIBITION. WE THEREFORE RECOMMEND THAT COMMERCE AUTHROIZE THE RENTAL OF 676 SQUARE METERS OF EXTERIOR SPACE ADJACENT TO PAVILION 19 IN ADDITION TO THE RENTAL OF PAVILIONS 18 AND 19. WE ALSO RECOMMEND CERTAIN INCREASES IN EXHIBTORS' CONTRICUTIONS. END SUMMARY.

2. IN ADDITION TO THE ARGUMENTATION SET FORTH IN REF A, WE FAVOR EXPANSION OF USG PARTICIPATION FOR THE FOLLOWING REASONS:

A. FOLLOWING GIEREK'S VISIT TO THE UNITED STATES, POLISH INTEREST IN IMPORTING AMERICAN INDUSTRIAL EQUIPMENT, CAPITAL GOODS, AND TECHNOLOGY IS GREATER THAN EVER, AND U.S. FIRMSSHOULD MAKE A MAJOR EFFORT TO EXPAND THEIR SALES TO POLAND IN 1975. THE CLIMATE FOR

UNCLASSIFIED

PAGE 02 WARSAW 06614 011052Z

LARGE TRANSACTIONS IN THE INDUSTRIAL FIELD MAY NOT BE AS

FAVORABLE FOR THE REST OF THIS DECADE. AFTER THE USSR, POLAND IS OUR LARGEST MARKET AMONG THE COMECON COUNTRIES, AND WE BELIEVE THAT THE FIGURES FOR THE PAST TWO YEARS DEMONSTRATE THE EFFECTIVENESS OF USG TRADE-PROMOTION PROGRAMS IN POLAND.

B. THE POLES RESPONDED FULLY AND FAVORABLY TO OUR REQUESTS FOR ACCESS TO ADDITIONAL SPACE. OUR FAILURE TO EXERCISE OUR OPTIONS MIGHT BE TAKEN AS A SIGN OF DECLINING INTEREST IN THE POLISH MARKET, AT A TIME WHEN WE SHOULD BE STRIVING TO CONVINCE THE POLES OF OUR SINCERE INTEREST IN ACHIEVING THE TRADE TARGETS SET AT THE JOIN COMMISSION AND SUMMIT MEETINGS. EVEN THOUGH BUDGETARY CONSIDERATIONS MAY FORCE A REDUCTION IN LESS VISIBLE AREAS OF OUR TRADE-PROMOTION PROGRAM, WE SHOULD NONETHELESS MAINTAIN AT AS HIGH A LEVEL AS POSSIBLE OUR EXTREMELY VISIBLE, AND THUS POLITICALLY VALUABLE, EXHIBITION AT THE POZNAN FAIR.

C. THE EXTERIOR SPACE WHICH WE PROPOSE TO OCCUPY WAS HELD IN 1974 BY AUSTRIA. WE NOW HAVE AN OPPORTUNITY TO TAKE THIS SPACE, WHICH ABUTS OUR OWN EXHIBITION HALL, AWAY FROM A COMPETITOR. WITH THE CLOSING OFF OF OUTDOOR SPACE AT THE SOUTH END OF PAVILION 19, THE SPACE WE PROPOSE TO RENT IS NOW THE ONLY AVAILABLE OPEN AREA NEAR OUR EXHIBIT. IT SHOULD BE IN AMERICAN HANDS.

D. AS STATED IN REF A, ADDITIONAL SPACE IS NEEDED TO ACCOMMODATE NEW FIRMS. PRACTICALLY EVERY COMPANY WHICH EXHIBITED IN USATECH 74 HAS TOLD US OF ITS DESIRE TO RETURN IN 1975. ALTHOUGH WE HAVE UNDERTAKEN NO RECRUITMENT EFFORTS WHATSOEVER, WE HAVE RECEIVED UNSOLICITED INQUIRIES ABOUT USATECH 75 FROM THE FOLLOWING NEW POTENTIAL EXHIBITORS:

INGERSOLL-RAND

DU PONT

WATERS ASSOCIATES

AMCHEM PRODUCTS

GILFORD INSTRUMENTS

DRESSER INDUSTRIES

KARL LAMBRECHT CORP

GREER HYDRAULICS

WESTINGHOUSE ELECTRIC

UNCLASSIFIED

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PAGE 03 WARSAW 06614 011052Z

TEKTRONIX

MAI

MONSANTO

PERKIN-ELMER

FMC CORP.

WABCO

THE OUTDOOR SPACE, EVEN IF UNCOVERED, COULD ACCOMMODATE FOUR OR FIVE FIRMS DISPLAYING SUCH PRODUCTS AS OFF-

HIGHWAY CONSTRUCTION MACHINERY, MINING AND DRILLING EQUIPMENT, MATERIALS-HANDLING EQUIPEMENT, OR MOTOR VEHICLES. THIS SPACE MIGHT ALSO BE USED BY COMPANIES TO MOUNT THEIR OWN SELF-CONTAINED, ENCLOSED EXHIBITS.

3. THE COST OF THE OUTDOOR SPACE IS EXPECTED TO THE \$9.00 PER SQUARE METER, OR \$6,084 FOR 676 M2. THIS, LIKE ALL RENTAL COSTS, IS PAYABLE IN ZLOTYS (SPECIAL FOREIGN CURRENCY). THIS COST COULD EASILY BE COVERED BY CHARGING EXHIBITORS \$20 PER M2 FOR OUTDOOR SPACE.

4. WE RECOMMEND IN ANY CASE THAT FEES CHARGED TO EXHIBITORS BE RAISED FOR THE 1975 FAIR. IN 1974, EXHIBITORS PAID \$129 PER M2 FOR CONSTRUCTED SPACE, AND \$30 FOR UNCONSTRUCTED SPACE, IN PAVILION 19. THE DISPARITY BETWEEN THESE FIGURES BROUGHT COMPLAINTS FROM SOME EXHIBITORS WHO FELT THAT CONSTRUCTION WAS NOT WORTH \$99 PER M2. WE SUGGEST THAT FOR 1975 THE CHARGE FOR CONSTRUCTED INDOOR SPACE BE SET AT \$140 M2 AND UNCONSTRUCTED SPACE AT \$75. THESE CHARGES WOULD BOTH RAISE MORE MONEY AND ENCOURAGE EXHIBITORS TO USE COMMERCE DESIGN AND CONSTRUCTION SERVICES. WE ESTIMATE COLLECTIONS UNDER THIS SCHEDULE AS FOLLOWS:

676 M2 AT \$20--13,520
800 M2 AT \$140--112,000
190 M2 AT \$75--14,250
TOTAL--\$139,770

ALTHOUGH WE DO NOT HAVE FIGURES FOR TOTAL COLLECTIONS IN 1974, WE WOULD ESTIMATE THEM AT ABOUT \$110,000.

5. THE COSTS OF OPERATING THE US EXHIBITION CAN BE REDUCED WITHOUT LESSENING ITS EFFECTIVENESS. WE RECOMMEND ELIMINATING THE DIRECTOR OF BUSINESS RELATIONS
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 WARSAW 06614 011052Z

AND THE INDUSTRY EXPERTS FROM THE USDOC TEAM FOR THE EXHIBIT. THE TDC DIRECTOR, ASSISTED BY A MEMBER OF THE TDC STAFF AND OPERATING FROM A BUSINESS DEVELOPMENT OFFICE IN PAVILION 18, CAN FILL THE ROLE OF THE DBR AT ESSENTIALLY NO COST. AS WE LEARNED IN 1974, INDUSTRY EXPERTS NOT ATTACHED TO A SPECIFIC COMPANY OR EXHIBIT CANNOT BE EFFECTIVE AT EXPORT PROMOTION UNDER THE HECTIC CONDITIONS OF THE FAIR. IT MAY ALSO BE POSSIBLE TO REDUCE COSTS BY HIRING A POLISH CONTACTOR FOR EXHIBIT CONSTRUCTION.

6. CONCLUSION AND RECOMMENDATIONS: WE BELIEVE THAT BY RAISING FEES AND CUTTING EXPENSES WE CAN MOUNT A LARGER AND MORE EFFECTIVE EXHIBITION AT POZNAN IN 1975 FOR A LOWER NET COST THAN THE 1974 EXHIBITION. WE RECOMMEND THAT:

A. USDOC 15906 (REF C) BE AMENDED TO INCLUDE
AUTHORIZATION TO LEASE THE 676 M2 OF OUTSIDE SPACE
ADJACENT TO PAVILION 19.
B. THE SCHEDULE OF CONTRIBUTIONS FROM EXHIBITORS
BE FIXED AS PROPOSED ABOVE.
WE REQUEST AN EARLY RESPONSE SO THAT PROCUREMENT MAY
BEGIN AT ONCE.
DAVIES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 01 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974WARSAW06614
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740313-0515
From: WARSAW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741177/aaaacnmb.tel
Line Count: 177
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A. WARSAW A-295; B. WARSAW 6261; C., USDOC 15906(NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 12 NOV 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 NOV 2002 by shawdg>; APPROVED <13-Nov-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 1975 POZNAN FAIR COMMERCE FOR BEWT
TAGS: BEXP, PL
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005